

PRESS RELEASE

Firmenich Proved its Resilience in a Year of Significant Uncertainty

Geneva, Switzerland, August 11, 2020 – Firmenich International SA, the world’s largest privately-owned Perfume and Taste company, announced its Full Year Results for the 52 weeks ended 30 June 2020.

Financial Highlights

- Group revenue reached CHF 3,878m, +2.8% growth on a local currency basis (FY2019: CHF 3,874m)
- Adjusted EBITDA¹ of CHF 859m, representing a margin of 22.1% (+60bps vs. FY 2019)
- Free Cash Flow² reached CHF 454m, +7.9% vs. FY 2019

FY 2020 Operational Highlights

- Completed acquisition of Les Dérivés Résiniques et Terpéniques (DRT), strengthening #1 position in Ingredients for the Flavors & Fragrance industry
- Acted decisively to keep our colleagues safe, while supporting our customers and suppliers in the crisis, maintaining high levels of service as an essential part of the global food and hygiene supply chains
- Completed inaugural Bond issuance program, raising the equivalent of CHF 2.9bn on the Swiss & Euro markets
- Strengthened lead in Science, investing 9.5% of revenue in R&D, and launched Dreamwood™, our fourth white biotechnology ingredient
- First in the industry to complete the UN SDG Action Manager assessment, a key milestone towards B.Corp Certification
- Supported frontline health workers in Switzerland, USA, Singapore, Indonesia and Malaysia, donating over 100 tons of hand sanitizer

Patrick Firmenich, Chairman of the Board, said: “This year was marked by many strategic breakthroughs, from acquisitions to key innovation launches and a wealth of global recognition for our leadership in responsible business”, said Patrick Firmenich, Chairman of the Board, Firmenich. “I extend my deepest appreciation to Gilbert, the management team and our 10,000 colleagues for setting new standards for Firmenich and our industry.”

Gilbert Ghostine, CEO of Firmenich, said: “Firmenich proved its resilience and leadership during the past year, creating value for its stakeholders, while navigating the unprecedented challenges of Covid-19. We supported our clients across the food, personal, body and home care supply chains to continue to deliver essential products to consumers around the world. We have continued to invest for growth and completed our largest transaction with the acquisition of DRT, a leader in renewable and sustainable perfumery ingredients. We also accessed the public financial markets for the first time in our history, successfully raising the equivalent of CHF 2.9bn in corporate bonds.”

¹ Adjustments include restructuring charges, past service cost, post-employment benefit obligations, employee benefits, impairment of PPE and intangible assets, acquisition costs, professional services / dismantlement costs, strategic consultant fees and gain / loss of sales of PPE.

² Free Cash Flow is calculated as Operating Cash Flow – Net Capex; Cash Conversion calculated as (OCF – Net Capex) / EBITDA; Net Capex includes Disposals and Government grants.

FY2020 Financial Performance

We achieved 2.8% revenue growth in l.c., including +2.2% in Perfumery & Ingredients and +3.8% in Flavors. Worldwide lockdowns and travel bans affected some of our business segments, in particular Foodservice and Fine Fragrance, with a knock-on effect on perfumery ingredients. This impact was more than offset by our strong performance in Savory, Sugar Reduction, Plant-Based Proteins, Personal Care, Body Care and Home Care.

We achieved EBITDA margins of 22.1% due to continued productivity gains and cost discipline. We generated CHF 454m of Free Cash Flow, an increase of 8%, due mainly to our focus on cost reduction and cash preservation measures in response to the covid crisis.

R&D and Innovation

One of our key differentiating factors is our passion to innovate with our clients. We are a research-driven, innovation-led organization – dedicating more resources to R&D as a percentage of revenue, than any of our competitors. We pride ourselves on identifying the critical consumer trends across Fragrance and Taste and leveraging our industry-leading R&D capabilities to help our customer stay ahead of the curve. We are also committed to continuing to improve and expand our best-in-class ingredients palette by introducing new natural, sustainable, biodegradable and renewable ingredients. Key innovation highlights during FY 2020 include:

- We introduced 5 new molecules to our perfumery palette, including our fourth white biotech ingredient, Dreamwood™. This sustainable alternative to botanical sandalwood oil, one of the most precious oils used in perfumes. Our research shows that it has an antimicrobial effect and soothing properties on skin cells, making it our first biotech ingredient with cosmetic benefits.
- We are actively involved in shaping Smart Protein solutions, supporting the rise of vegan and vegetarian diets. Our unique integrated solutions improve everything from taste to texture, and match the succulence of meat proteins in vegetarian and seafood alternatives.
- We continued to leverage the proprietary natural sweeteners and salt reduction technologies discovered in our labs to combat excess sugar and salt consumption, preserving taste and delighting consumers while contributing to their wellbeing.
- Embracing digitalization, we doubled our e-commerce sales compared to FY2019, reaching CHF 111m in sales, and increased productivity by 25% in our new Fragrance Center in Geneva.
- We enhanced our ingredient discovery and creation capabilities using A.I. research developments from our Digital Lab partnership with the EPFL in Switzerland.

M&A

FY2020 has been a transformational year in acquisitions and partnerships. The acquisition of DRT positions Firmenich for continued success by enhancing our portfolio and strengthening our core capabilities. This acquisition allows us to lead in renewable ingredients, to establish the world's leading innovation platform for sustainable ingredients and to become one of the largest backward-integrated solution providers in this space.

In addition to DRT, in July 2019, we acquired a 65% equity stake in VKL, a leader in spices and seasonings in India, broadening our raw material palette for clean label ingredients and customer reach in this critical strategic market. In November 2019, we acquired the CO₂ extraction facility from Evonik, significantly expanding our capabilities in supercritical fluid extraction. We also announced a partnership with MG International, a leading fragrance company renowned

for its creative fragrance solutions and first-class service to mid-size customers across Turkey, the Middle East, Eastern Europe and Africa.

ESG

We continued our legacy of leading the industry in corporate, social and environmental responsibility. We are proud to be the first in the industry to complete the UN Sustainable Development Goals Action Manager assessment, examining the contribution of our entire operations to the SDG. A key milestone for B Corp Certification, the assessment confirmed our strength in areas such as Health, Human Rights and Climate Action. We also became one of a handful of companies in the world, and the first in our industry, to power all our operations globally with 100% renewable electricity. We are one of only two companies worldwide to have received a CDP triple “A” rating for climate change, water security and forests, two years in a row, recognizing our global environmental leadership. Our commitment to the most ethical, traceable and sustainable supply chain was further recognized by the highest Platinum rating of 83/100 from EcoVadis for environmental and social performance, placing Firmenich in the top 1% of the 65,000 suppliers assessed.

Outlook

We continue to operate in a context of unparalleled uncertainty. We remain committed to continuing to support our clients and suppliers and to ensure the health and safety of our colleagues around the world. Notwithstanding any near-term challenges, we remain focused on investing for the long-term to help our clients reach their ambitions with innovation, creativity and a commitment to sustainable future.

Disclosure

The financial statements will be approved by the shareholders at the annual general meeting to be scheduled in October 2020. The shareholders will also decide on the dividend, based on the proposal from the Board which foresees a reduction vs. the dividend paid for the previous business year. Other AGM matters are still under consideration by the Board. This information is provided by Firmenich International S.A. pursuant to the EU Market Abuse Regulation 596/2014 and the Swiss FMIA. The information was submitted for publication, through the contact persons set out below, at 7:00 CEST on 11 August 2020. Further information is available for investors on <http://investors.firmenich.com>.

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About Firmenich

Firmenich is the world's largest privately-owned perfume and taste company, founded in Geneva, Switzerland, in 1895 and has been family-owned for 125 years. Firmenich is a leading business-to-business company operating primarily in the fragrance and taste market, specialized in the research, creation, manufacture and sale of perfumes, flavors and ingredients. Renowned for its world-class research and creativity, as well as its leadership in sustainability, Firmenich offers its customers superior innovation in formulation, a broad and high-quality palette of ingredients, and proprietary technologies including biotechnology, encapsulation, olfactory science and taste modulation. Firmenich had an annual turnover of 3.9 billion Swiss Francs at end June 2020. More information about Firmenich is available at www.firmenich.com